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South Vietnam: Communist forces were dealt heavy casualties in three separate ground actions on 24-25 September.

A total of 208 Communists were killed in a five-hour battle four miles southwest of the provincial capital of Tam Ky in Quang Tin Province. American losses were light in this engagement, which developed from a small enemy ambush.

In northern III Corps an estimated enemy battalion followed a 100-round shelling of the Katum Special Forces camp with a ground assault. The attackers were driven off, leaving at least 135 bodies behind. The camp's defenders lost 12 killed and 16 wounded.

In the third action, US forces, acting on information provided by a prisoner, engaged an enemy company in northern Long An Province. Preliminary reports indicate that the enemy lost some 36 killed in this action. Allied losses are described as light.

The Communists staged a number of rocket and mortar attacks on allied positions in widespread areas of the country on 24-25 September. Only light damage was reported from these attacks.

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Reports of the effect of US B-52 strikes against enemy units have been increasing in recent weeks. One North Vietnamese soldier captured in northern Pleiku Province stated that in late August the Fourth Battalion of the 24th North Vietnamese Regiment had only 60 survivors after being hit by B-52s. A North Vietnamese battalion normally would have 350-450 men. The prisoner also claimed that the Fifth Battalion lost 150 men to airstrikes during the same period.

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Another prisoner reported that the Second North Vietnamese Division lost 300 men killed by B-52 strikes south of Da Nang on 4 and 5 August.

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*USSR-Czechoslovakia: Moscow and its allies are growing short-tempered about Prague's failure to implement the Moscow agreement and may be on the verge of moving against liberal Czechoslovak leaders.

TASS last night attacked "certain leaders" in Prague who have defended the work of the "counter-revolutionary" mass media, charging that these speeches "are in direct contradiction to the Moscow agreements" and "seriously harm the normalization process." TASS did not identify the target of its attack, but parliamentary chief Smrkovsky, and particularly Premier Cernik, have defended the media. TASS' attack, the most specific since the Moscow agreement, followed two days of intensifying propaganda criticizing the performance of the Czechoslovak party leadership. The attacks coincided with a more concrete manifestation of Soviet displeasure on 24 September, when Soviet troops reappeared in downtown Prague.

The East German press has gone even further, and characterized Dubcek on 24 September as not really a Communist, but a "Social Democrat in the West German sense." The Polish press has also charged that the Czechoslovaks are playing a "double game." Most Polish dailies have pointed with alarm to alleged duplicity and to varying interpretations which can be attached to statements of the leaders in Prague.

The Soviet attacks may have been precipitated by Prague's continuing efforts to pursue as independent a line as possible. The Czechoslovak main party daily, Rude Pravo, yesterday reported that the party's controversial draft statutes—approved just prior to invasion—will "in essence" remain valid. The news—paper, while conceding that certain articles will be modified, reportedly emphasized those aspects of the draft statutes which refer to the democratic nature of the party, and rejected a return to "administrative methods which discredited the party's role" before

the Dubcek regime gained power in January. The Soviets have cited some aspects of the statutes as evidence of counterrevolutionary trends in Czechoslovakia.

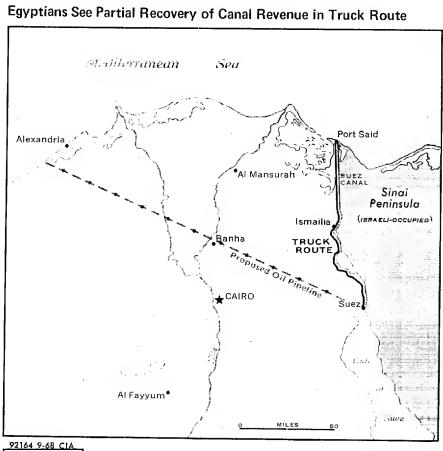
Rude Pravo has also replied in critical fashion to renewed East German press attacks on Dubcek. In addition, it published another statement by 50 prominent economists supporting the government's intention to carry out economic reforms, portions of which the Soviets have opposed as a return to capitalism. On 23 September Smrkovsky confirmed that Prague intends to establish workers' councils—a pet project of a Soviet bête noire, Ota Sik.

^{*}Because of the shortage of time for preparation of this item, the analytic interpretation presented here has been produced by the Central Intelligence Agency without the participation of the Bureau of Intelligence and Research, Department of State.

<u>USSR - Middle East</u>: Moscow's warning to Israel yesterday was intended in part to divert the UN's attention from Czechoslovakia.

In the statement issued by the Soviet Foreign Ministry, Moscow charged the Israelis with "dangerous provocation" and warned that they would be responsible for the consequences. The statement emphasized that the Middle East problem could only be settled on the basis of the Security Council resolution of last November. It held that the Arab states have consented to carry out the resolution in its entirety and that Israel's policy of "continued aggression" is designed to thwart implementation.

For the past several weeks, the Soviets have been providing the Arab news services with a spate of material on "Israeli aggressiveness," although they have played down Middle East issues in their own press. Yesterday's warning meets the Soviets' need to make propaganda noises on behalf of the Arabs at the start of the General Assembly. It also serves to maintain pressure on Israel as the main obstacle to peace in the Middle East.



Egypt: The Cairo government's expectations of foreign exchange earnings from a truck line paralleling the closed Suez Canal appear greatly inflated.

The semiofficial Al Ahram has reported that Cairo hopes to move at least a quarter of the cargo normally shipped through the Suez Canal by running 300 trucks a day over a 200-mile, round-trip truck route between Port Said and Suez. The road, if properly maintained, could support this additional traffic. The trucks, however, probably could only transport a maximum of two million tons of cargo a year-considerably less than a quarter of the 60 million tons of freight, excluding petroleum, which transited Suez in 1966. Earlier, Egypt announced plans for completing by 1970 a crude oil pipeline from Suez to a terminal west of Alexandria.

At the announced cargo rates ranging from \$9.60 to \$12 per ton, income from this operation would amount only to about \$20 million a year, or eight percent of the \$240 million in foreign exchange lost from potential canal revenues. Moreover, the rates appear much too high to attract even this amount of cargo from other, more secure trade routes.

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Belgium: The linguistic dispute at Louvain University, which led to the political crisis in February, may be closer to solution.

The French-speaking faculty announced a plan on 20 September to transfer its facilities, over a nine and a half year period, to a site on the French-speaking side of the linguistic border that divides the country. Louvain is located on the Flemish-speaking side. The cost of the move will be high--at least \$340 million--and it is not clear whether the government will be ready to pay the price. As much as the Flemish parliamentarians want the French out of Louvain, they probably will be most reluctant to vote the necessary funds.

The tone of the French faculty's statement was resigned, and the country's French and Dutch newspapers have matched this restraint. The announcement may have been timed to forestall renewed student agitation when the academic year begins early next month.

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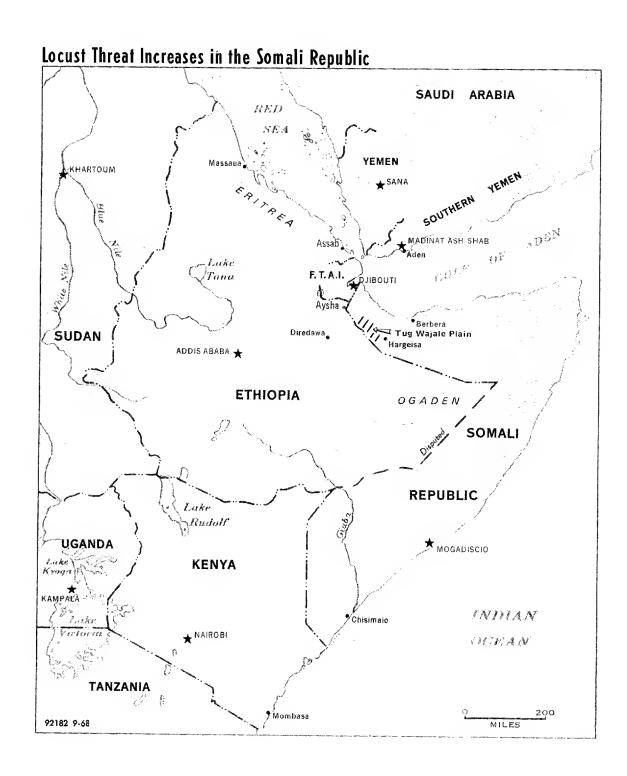
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Uruguay: President Pacheco's expulsion of three key members of the Soviet Embassy in Montevideo was intended to reduce antigovernment agitation.

Pacheco blames the Russians for much of the student and labor disorder and presumably expects that these expulsions, like the ouster of four Soviet officials in 1966, will cause the embassy to put pressure on the Moscow-oriented Communist Party to cease its objectionable activities temporarily.

Recently, however, the party has lost some leverage with the workers and to an even greater degree with the students. Despite some efforts by the party to keep agitation below the level that might provoke the government into outlawing it, radicals within the party and from other extreme leftist groups have been able to provoke serious violence. More disorders are likely.

Expulsion of the Soviet officials is indicative of the government's increasingly hard line against agitation. It serves as a warning to the Soviets of possible future consequences, including the breaking of diplomatic relations, if the disorders do not subside. If the Soviets do counsel caution, however, tension will increase between the Communist Party, which is responsive to Moscow, and other leftist extremist groups which are not.



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Congo (Kinshasa): Former Premier Moise Tshombé may soon be released from Algerian custody, in the opinion of Liberian President Tubman. Tubman, who discussed Tshombé's fate with President Boumediene in Algiers following the recent Organization of African Unity meeting, says that Boumediene still is weighing various options. Boumediene claims to have private assurances from Congolese President Mobutu that he would not object to Tshombé's release, provided Tshombé leaves Africa.

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Somali Republic: Swarms of locusts, far more dense than those reported in Sudan and Eritrea last month, are seriously threatening crops in the Somali Republic. Some crop damage has already been reported in the Tug Wajale plain, where the Sovietaided state farm is located. Unless the swarms are soon brought under control, they may move into the Ogaden region, where they could pose a threat to Kenya in 1969. So far, locust control officials have been able to obtain only one pilot and one aircraft to spray the affected area.

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